



City of Morgan Hill

Council Chamber
17555 PEAK AVENUE
MORGAN HILL, CA 95037

Legislation Text

File #: 14-296, Version: 1

CITY COUNCIL STAFF REPORT **MEETING DATE: OCTOBER 1, 2014**

PREPARED BY: Pete Gallegos, Battalion Chief, Fire Department
APPROVED BY: City Manager

APPROVAL OF A TYPE VI FIRE APPARATUS AND HEART MONITOR PURCHASES

RECOMMENDATION(S):

ADOPT RESOLUTION AUTHORIZING THE CITY MANAGER TO APPROVE THE PURCHASE OF A TYPE VI FIRE APPARATUS AND A HEART MONITOR AND ENTER INTO AN AGREEMENT WITH HME AHRENS FOX

COUNCIL PRIORITIES SUPPORTED:

Ongoing Priorities

Enhancing Public Safety
Maintaining Fiscal Responsibility

NARRATIVE:

The City Council budgeted to purchase a Type VI fire apparatus with a Life Pack 15 heart monitor as part of the Fiscal Year 2014-15 budget process. The purchase of this vehicle will expand the Fire Department's capacity, response capabilities and allow alternative response models within the City of Morgan Hill. The Type VI fire apparatus is a smaller, more versatile response vehicle equipped for wild land and emergency medical response. There are many areas in the City that have limited access for the Type I fire engines that the Fire Department currently staffs. The Type VI vehicle is four wheel drive and provides the Fire Department improved access to the wild land urban interface areas of the City. The Type VI fire apparatus will also allow the Fire Department to maneuver through the City safer and more efficiently during peak hours of traffic. This vehicle will supplement the medical responses in the City by adding another piece of equipment to the fleet and allow better access to the parts of the community that live in the rural areas. These residents tend to have smaller driveways and roadways.

Fire staff was able to identify a Type VI apparatus after soliciting multiple manufacturers, including KME and Pierce. When contacted, HME Ahrens Fox offered a Type VI apparatus that was already built and used as a demo vehicle for \$205,539.96 including tax. Specifically, the vehicle is a 2013 Ford F550 four wheel drive chassis with the buildup already constructed. It has 3,500 miles and

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HME Ahrens Fox will grant a full warranty as if the vehicle were purchased new. The cost savings for purchasing the demo vehicle are approximately \$11,000.00 versus purchasing a brand new 2014 vehicle. The vehicle will be delivered within 30 to 90 days versus a 2014 vehicle which would not be delivered for approximately 12-18 months. Staff recommends purchasing the demo vehicle as competitive bidding may be dispensed with under Municipal Code section 3.04.150(D) as this is the only demo vehicle that staff knows is available at this time.

The Life Pack 15 heart monitor allows the Fire Department to provide advanced life support services. The Life Pack 15 heart monitor is compatible with existing equipment in the Fire Department as well as with Santa Clara County Emergency Medical Services. Staff recommends purchasing the Life Pack 15 heart monitor from Physio-Control, Inc. for \$37,887.50 as competitive bidding may be dispensed with under Municipal Code section 3.04.150(D) as this is the only heart monitor that is compatible with the existing equipment in the Fire Department.

PRIOR CITY COUNCIL AND COMMISSION ACTIONS:

Approval of FY 2014-15 budget.

FISCAL AND RESOURCE IMPACT:

The Adopted Budget for FY 14-15 includes an appropriation for a \$250,000 lease financing for the two sets of equipment--more than enough to cover the \$243,000 combined purchase price. With interest rates beginning to rise, staff believes that it is more cost-effective for the City to use cash reserves, rather than long-term financing, to pay for the apparatus. Fund 313 Fire Impact has sufficient reserves with which to pay its 40% share of the cost (40% being the percentage that Fire and Finance have determined are attributable to growth). The General Fund ended FY 13-14 with more in reserves than projected last spring, so it too can absorb its 60% share of the cost without falling below earlier projections of fund balance. A budget scorecard is attached.

CEQA (California Environmental Quality Act):

Not a Project

LINKS/ATTACHMENTS:

Resolution

RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL APPROVING, AND AUTHORIZING THE CITY MANAGER TO EXECUTE, PURCHASE ORDERS FOR THE TYPE VI FIRE APPARATUS AND LIFE PACK 15 HEART MONITOR, APPROVING AND AUTHORIZING THE CITY MANAGER TO ENTER INTO THAT CERTAIN AGREEMENT WITH HME AHRENS FOX FOR THE TYPE VI APPARATUS, DETERMINING THAT THERE IS ONLY ONE SOURCE FOR THE PURCHASE OF THE TYPE VI FIRE APPARATUS AND LIFE PACK 15 HEART MONITOR BASED ON A REVIEW OF AVAILABLE SOURCES, AND APPROVING AN AMENDMENT TO THE CITY'S FISCAL YEAR 2014-15 ANNUAL BUDGET IN THE FIRE IMPACT FUND TO APPROPRIATE \$97,200 THEREFOR AND THE GENERAL FUND TO APPROPRIATE \$145,800 THEREFOR

WHEREAS, the City of Morgan Hill, a municipal corporation and general law city duly organized and existing under and pursuant to the Constitution and laws of the State of California ("City"), is authorized to enter into contracts and agreements for the benefit of the City; and

WHEREAS, the reasons supporting the entrance of the City into that certain agreement described in, and that is the subject of, this Resolution are set forth in detail in that certain City Council Staff Report entitled "Approval of a Type VI Fire Apparatus and Heart Monitor Purchases" submitted for City Council consideration at its meeting of October 1, 2014, submitted to the City Council by the City Manager (the "Staff Report"), the contents of which Staff Report are incorporated herein by this reference; and

WHEREAS, the activities allowed under this Resolution do not constitute a project under the provisions of California Environmental Quality Act of 1970; and

WHEREAS, the consideration by City Council of the adoption of this Resolution has been duly noticed pursuant to applicable laws and has been placed upon the City Council Meeting Agenda on the date set forth in the Staff Report, or to such date that the City Council may have continued or deferred consideration of this Resolution, and on such date the City Council conducted a duly noticed public meeting at which the City Council provided members of the public an opportunity to comment and be heard and considered any and all testimony and other evidence provided in connection with the adoption of this Resolution; and

WHEREAS, the City Council determines that adoption of this Resolution is in the public interest.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF MORGAN HILL DOES HEREBY FIND, DETERMINE, RESOLVE AND ORDER AS FOLLOWS:

Section 1. Recitals. The City Council does hereby find, determine and resolve that all of the foregoing recitals are true and correct.

Section 2. Approval and Authorization. The City Council does further resolve, order and/or direct as follows:

- a. That there is only one source for the Type VI Fire Apparatus and Life Pack 15 heart monitor and competitive bids should be dispensed of in accordance with Municipal Code section 3.04.150(D); and
- b. That the City Manager is hereby delegated authority to and is authorized and directed to approve purchase orders for the purchase of the Type VI Fire Apparatus from AME Ahrens Fox for an amount not to exceed two hundred five thousand five hundred thirty nine dollars and ninety six cents (\$205,539.96) and the Life Pack 15 heart monitor from Physio-Control, Inc. for an amount not to exceed thirty seven thousand eight hundred eighty seven dollars and fifty cents (\$37,887.50). The total amount for purchases of the Type VI Fire Apparatus and the Life Pack 15 heart monitor shall not exceed two hundred forty three thousand four hundred twenty seven dollars and forty six cents (\$243,427.46); and
- c. That the City Manager is hereby delegated authority to and is authorized and directed to execute, and subsequently administer including the authority to terminate as necessary or appropriate, the Agreement substantially in the form attached hereto as Exhibit B; provided, specifically, that the total amounts to be paid by City under the Agreement shall in no event exceed two hundred five thousand five hundred thirty nine dollars and ninety six cents (\$205,539.96); and
- d. That the City's previously adopted Fiscal Year 2014-15 Annual Budget, as the same has been amended to date, is hereby further amended in accordance with and as reflected on Exhibit A attached hereto and incorporated herein by this reference; and
- e. That the City Clerk is hereby authorized and directed to forward a copy of this Resolution to the City's Finance Director, who is hereby authorized and directed to take all actions necessary to implement the terms of this Resolution pertaining to the Fiscal Year 2014-15 Annual Budget of City.

Section 3. This Resolution shall take effect immediately upon adoption.

PASSED AND ADOPTED by the City Council of the City of Morgan Hill at its meeting held on this 1st day of October, 2014 by the following vote:

AYES:
NOES:

COUNCIL MEMBERS:
COUNCIL MEMBERS:

ABSTAIN:
ABSENT:

COUNCIL MEMBERS:
COUNCIL MEMBERS:

DATE: _____

Steve Tate, MAYOR

∞ CERTIFICATION ∞

I, Irma Torrez, City Clerk of the City of Morgan Hill, California, do hereby certify that the foregoing is a true and correct copy of Resolution No.XXXX , adopted by the City Council at the meeting held on October 1, 2014.

WITNESS MY HAND AND THE SEAL OF THE CITY OF MORGAN HILL.

DATE: _____

Irma Torrez, CITY CLERK



SALES AGREEMENT

This Sales Agreement (the "Agreement") made by and between **HME, Incorporated** (Company) and

City of Morgan Hill F.D Santa Clara Unit

<u>18300 Old Monterey Road</u>	<u>Morgan Hill</u>	<u>California</u>	<u>95037</u>
(Address)	(City)	(State/Province)	(Zip/Postal Code)

1. ACCEPTANCE: The "Company" agrees to sell and the "Buyer" agrees to purchase the apparatus and equipment (collectively the "Vehicle") described in the HME, Incorporated specifications hereto attached and made part of this Agreement, in accordance with the terms and conditions herein and the attached documents referenced herein (collectively, the "Agreement").

2. DELIVERY: Except as otherwise specified in this Agreement and provided that the Buyer has paid the purchase price, the Vehicle shall be ready for delivery within 90 calendar days after the date this Agreement is signed and executed by an officer of Company at the Company's Corporate Headquarters in Wyoming, Michigan, and based upon a satisfactory completion of a Pre-Construction Conference, if requested. The Company cannot be held liable for penalties and/or delays due to strikes, failures to obtain materials, fires, accidents, force majeure, or any other causes beyond the Company's control. The Pre-Construction Conference shall be conducted within 30 days from the execution of this Agreement.

To establish a stable design, procurement, and build schedule in accordance with the specifications and this Agreement, a Buyer change order cutoff date of eight (8) weeks from the date of the execution of the Agreement will be enforced. Changes in major components, configuration, or other items that may change the major components or configuration, (e.g.: engine, transmission, axles, water tank, body, fire pump) will not be allowed after the Agreement execution date.

If inability to obtain exclusive or brand name materials causes completion or delivery problems, the Company shall advise the Buyer of said problem. The Company resolves to examine alternative sources of said material. Material substitutions shall be mutually agreed upon by the Buyer and the Company. No substitutions shall be made without the execution of a written change order by the Buyer.

3. CHANGE ORDERS: Changes to the Agreement may be requested by the Buyer after the execution of the Agreement according to the terms of Section 2 of this Agreement. Changes shall be reviewed for cost and schedule impact by the Company. Changes shall be sequentially numbered. Change Orders shall be prepared by the HME sales representative and executed by the Buyer. The price of the Vehicle shall be adjusted to take into account any Change Orders. **Any and all Change Orders may extend the completion and delivery dates of the Vehicle.**

4. SPECIFICATIONS: The Company agrees that all material and workmanship in and about this Vehicle shall comply with the hereto attached HME, Incorporated specifications dated 22 day of January, 2013.

5. WARRANTY: The Company shall provide the warranty as specified in the attached HME, Incorporated specifications.

6. PRICE: The Buyer shall pay, as a purchase price for the Vehicle, the sum of One Hundred Eighty Nine Thousand Nine Hundred Sixty Three US Dollars and zero Cents (\$ 189,963.00). All prices are less any applicable local, state, or federal taxes which may be applied to the sale of the Vehicle. NOTE: Payment shall be made only to: **HME, Incorporated, 1950 Byron Center Avenue, Wyoming, Michigan 49519**, attention: Accounts Receivable.

7. TERMS OF PAYMENT:

a) Payment of the purchase price plus cost of any authorized Change Orders, shall be paid, in full, at the time of plant pick-up or availability for delivery, whichever is earlier.

b) No payment of any amount shall be made payable to a sales representative without written approval from the Company.

c) It is agreed that the Vehicle covered by this Agreement shall remain the property of the Company and not be placed in service until the purchase price and any additional costs and expenses are paid by the Buyer. Any payment not made when due shall accrue a service charge of 1.5% per month, but in no event shall such charge exceed the maximum rate allowed by law.

8. The Company requires, and the Buyer agrees, that the Vehicle shall be inspected and picked up by the Buyer within seven (7) days of notice that the manufacturer of the Vehicle has been completed.

9. CANCELLATION: This Agreement is subject to cancellation by the Buyer only upon payment to the Company of reasonable cancellation charges as determined by the Company, which shall take into account expenses already incurred and commitments made by the Company.

10. TAG-ON / ADDITIONAL ORDERS: At its sole discretion, the Company may allow the terms of this Agreement to be extended to both the Buyer and similar agencies for the purchase of a similar Vehicles under similar terms for a period of one (1) year from the date of the execution of this Agreement. Should the Company choose to exercise this option, it shall be permitted to adjust the Agreement pricing to account for equitable price adjustments associated with the change in the cost of the materials used to produce the Vehicle. Such adjustments will be based upon the Producer Price Index (PPI) for fire trucks and/or heavy transportation equipment or by itemizing price changes expected by the Company from the component vendors. If there are any changes between the Vehicles(s) purchased via this Agreement and any subsequent orders, those changes must be documented via properly signed and executed Change Orders, including any necessary price adjustments. If the purchasing agency is not the Buyer, a separate Agreement must be executed under the terms of this Agreement to complete the additional purchases.

This Agreement, including its appendices and attachments, embodies the entire understanding between the parties relating to the subject matter contained herein and merges all prior discussions and agreements between them. No agent or representative of the Company has the authority to make any representations, statements, warranties, or agreements not herein expressed and all modifications of amendments of this Agreement, including any appendices, must be in writing signed by an authorized representative of each of the parties hereto.

No surety of any performance bond given by the Company to the Buyer in connection with this agreement shall be liable for any obligation of the Company arising under the standard warranty.

IN WITNESS WHEREOF, the Buyer and the Company have caused this Agreement to be executed by their duly authorized representatives this ____ day of _____,

COMPANY

BUYER

HME, Incorporated
1950 Byron Center Avenue
Wyoming, Michigan 49519
616-534-1463 Phone
616-534-1967 Fax

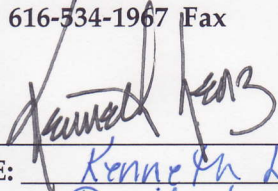
City of Morgan Hill Fire Department

18300 Old Monterey Road

Morgan Hill, California 95037

Phone (408) 778-3259

Fax Cell (408) 722-8507

BY: 

NAME: Kenneth Lenz

TITLE: President

DATE: 9-26-14

BY: _____

NAME: _____

TITLE: _____

DATE: _____

BUYERS WITNESS

WITNESSED: _____

NAME: _____

TITLE: _____

DATE: _____

AGENDA BUDGET SCORECARD
FISCAL YEAR 2014-15
ADJUSTMENT #

016

FUND:
DEPARTMENT:
OBJECT:

313	Fire Impact Fund
8085	Fire Mitigation
43830	AUTO/TRUCKS

AGENDA DATE:
AGENDA ITEM TITLE:

10/01/14
Purchase of Fire Apparatus

	07/01/14 BEGINNING FUND BALANCE	ESTIMATED REVENUES	APPROPRI- ATIONS	06/30/15 ENDING FUND BALANCE
ORIGINAL BUDGET	3,670,776	58,839	16,583	3,713,032
CUMULATIVE REVISIONS PRIOR TO RECOMMENDED ACTION	-	-	-	-
RECOMMENDED ACTION	-	-	97,200	(97,200)
RESULT OF RECOMMENDED ACTION	<u>3,670,776</u>	<u>58,839</u>	<u>113,783</u>	<u>3,615,832</u>

AGENDA BUDGET SCORECARD
FISCAL YEAR 2014-15
ADJUSTMENT #

017

FUND:
DEPARTMENT:
OBJECT:

010 General Fund
3510 Fire Administration
43830 AUTO/TRUCKS

AGENDA DATE:
AGENDA ITEM TITLE:

10/01/14
Purchase of Fire Apparatus

	07/01/14 BEGINNING FUND BALANCE	ESTIMATED REVENUES	APPROPRI- ATIONS	06/30/15 ENDING FUND BALANCE
ORIGINAL BUDGET	11,647,113	31,979,197	32,596,872	11,029,438
CUMULATIVE REVISIONS PRIOR TO RECOMMENDED ACTION		71,500	909,000	(837,500)
RECOMMENDED ACTION	-	-	145,800	(145,800)
RESULT OF RECOMMENDED ACTION	<u>11,647,113</u>	<u>32,050,697</u>	<u>33,651,672</u>	<u>10,046,138</u>